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Annual report of the Executive Director

Summary

In 2014, UNOPS delivered a range of peacebuilding, humanitarian and development projects on behalf of its partners. Through more than 1,200 projects in over 80 countries, UNOPS dedicated itself to helping people in need, often in the most challenging environments.

In 2014, UNOPS delivery was $1.2 billion, compared to $1.16 billion in 2013. This change was mainly attributable to increased demand for UNOPS support to partners' development work in Afghanistan and Myanmar; mine action services in Mali, Somalia and South Sudan; and humanitarian response activities in the Middle East.

Key results completed on behalf of partners included the construction, design or rehabilitation of 175 bridges, 4,577 kilometres of road, 2 airstrips, 30 schools, and 18 hospitals and health clinics.

In 2014, 37 per cent of UNOPS-supported projects created work for local people during the course of implementation. More than 3 million days of paid work for local people were created. UNOPS procured more than $669 million worth of goods and services for its partners. These included over 49,000 units of machinery and equipment as well as more than 5,500 vehicles. Over 17.8 million medical supplies were handled, including the distribution of approximately 3.6 million diagnostic kits.

The organization continued to improve the way it operates, successfully benchmarking itself against international standards. UNOPS is financially solid, has a clear mandate, and is experiencing record demand for its services from United Nations organizations, governments, and private sector organizations.

Elements of a decision

The Executive Board may wish to take note of: (a) the significant contributions made by UNOPS to the operational results of the United Nations and its partners in 2014; (b) the efforts made to enhance and report on UNOPS contributions to partners' sustainable results, including the pursuit of best practices and recognized standards; and (c) the overall progress made in implementing the UNOPS strategic plan, 2014-2017, which has established strong foundations for UNOPS to support Member States in implementing the sustainable development goals and the post-2015 development agenda.

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Contents

Chapter		*Page*
Annual report of the Executive Director		1
Contents		2
I.	Introduction	3
II.	Results framework	3
III.	Operational results	3
	A. Highlights of results achieved for partners	3
	B. Sustainable project management	4
	C. Sustainable infrastructure	7
	D. Sustainable procurement	8
	E. Contributions to sustainability	10
IV.	Management results	13
	A. Recognized value by partners	13
	B. Process excellence	15
	C. People excellence	16
	D. Financial stewardship	17

I. Introduction

1. The Executive Director is pleased to inform the Executive Board of the progress made during 2014 in the implementation of the UNOPS strategic plan, 2014-2017. In 2014, UNOPS supported its partners in delivering tangible benefits to people in need. In doing so, it brought international standards of efficiency, effectiveness and transparency to its partners' operations, contributing to sustainable development around the world.

II. Results framework

2. The UNOPS mandate was established by the General Assembly in resolution 65/176. The Executive Board approved the UNOPS strategic plan, 2014-2017, in September 2013. In its decision 2013/23 the Executive Board welcomed the enhanced focus of UNOPS services to partners, and the emphasis on sustainability, national ownership and capacity development.

3. UNOPS supports partners' peacebuilding, humanitarian and development objectives. It contributes to the operational results of partners through three sustainable contribution goals or focus areas: project management, infrastructure, and procurement.

4. The UNOPS strategic plan, 2014-2017, defines the results framework used in this report. In 2014, over 1,200 projects were assessed using this approach. Details of the reporting methodology are outlined in annex IV, available on the Executive Board web page.

5. Since the 2014 Executive Director's report is the first to follow the framework of the UNOPS strategic plan, 2014-2017, year-on-year comparison with previous reports may not always be possible.

III. Operational results

A. Highlights of results achieved for partners

6. In 2014, UNOPS constructed, designed or rehabilitated 175 bridges, 4,577 kilometres of road, 2 airstrips and 1 helipad, compared with 81 bridges, 3,560 kilometres of road, 2 airstrips and 1 harbour in 2013. UNOPS managed the construction, design or rehabilitation of 30 schools, 1 university, 14 hospitals, 4 clinics, 18 health posts and 7 specialist health facilities. In 2013, the numbers included 31 schools, 15 universities, and 26 hospitals and health clinics.

7. In 2014, 10 police stations and 11 prisons were constructed, designed or renovated, in addition to 11 courthouses, and 6 customs and border facilities. In 2013, UNOPS constructed or renovated 7 police stations, 7 prisons, 7 courthouses, and 13 customs and border facilities.

8. In 2014, 37 per cent of UNOPS-supported projects provided employment for local people during the course of project implementation. More than 3 million days of paid work for local people were created in 2014, with the majority of these generated as part of infrastructure projects.

9. UNOPS supported the mine-clearance work of the United Nations Mine Action Service (UNMAS) and partners in 17 countries and territories in 2014. It provided human resources management, procurement, contracting, grants management, technical and operational support, and financial and legal services.

10. UNOPS procured more than $669 million worth of goods and services for its partners, partly within wider implementation services and partly as direct transactional support. This included more than 300 solar panels, providing sustainable energy solutions in 2014.

11. Over 49,000 units of machinery or equipment were procured by UNOPS for its partners in 2014. Around 5,500 vehicles were procured, compared to more than 4,000 in 2013. Over 17.8 million medical supplies were handled, including the distribution of nearly 5 million condoms and 3.6 million diagnostic kits. More than 110 million doses of medicine were procured or distributed.

12. UNOPS helped partners develop local capacity by supporting the training of more than 84,000 individuals, including in health, infrastructure and improved sanitation, as compared to 47,000 people in 2013. That total includes nearly 6,000 people receiving 'training of trainers' to support capacity development.

13. UNOPS helped partners organize 684 high-level events and meetings, compared with 288 in 2013, and provided support to 88 broadcast advocacy activities in 2014.

14. UNOPS administered or monitored 565 grants, compared with 555 in 2013, to fund various types of projects, in addition to over 3,600 UNDP-Global Environment Facility (GEF) small grants in more than 120 countries.

15. UNOPS provided a range of support services for the United Nations. For example, UNOPS constructed, designed or renovated 15 United Nations facilities, including offices, warehouses and accommodation. It also provided common procurement services, such as procuring almost $62 million worth of goods through 'UN Web Buy', down from $72 million in 2013.

16. UNOPS provided over 31,000 days of advisory services to its partners (96 per cent in technical assistance and 4 per cent in capacity development services), up from just over 14,600 in 2013.

B. Sustainable project management

17. UNOPS provides a wide range of sustainable project management services, from overall management of programmes and projects to dedicated operational support functions.

18. In 2014, 55 per cent of UNOPS delivery was associated with the UNOPS focus area of project management. The majority of this took the form of project support services, including managing financial and human resources contracts, and grant administration, more than half of which was provided on behalf of the United Nations system.

19. UNOPS supervised more than 200 projects on behalf of partners in 2014, an increase from 135 in 2013, including projects in Albania, Burkina Faso, Serbia, South Sudan, Tunisia and Western Sahara.

20. UNOPS is the fund manager for the Three Millennium Development Goals Fund in Myanmar, which supports the provision of health services in the country, in partnership with the Ministry of Health. UNOPS is the principal recipient for the Global Fund to Fight AIDS, Tuberculosis and Malaria in Myanmar, as well as for the Regional Artemisinin-Resistance Initiative, which works to combat the spread of malaria resistance to artemisinin in the Greater Mekong subregion. Through UNOPS involvement in these three initiatives, more than 33,000 local people received training in public health intervention tools in Myanmar in 2014.

21. Several projects supported crisis prevention and peacebuilding in 2014. For example, in support of the Organization for the Prohibition of Chemical Weapons in

Syria, UNOPS provided safety, security and logistical support for its continuing operations in the Syrian Arab Republic.

22. During 2014, UNOPS provided operational support to the World Health Organization (WHO) for an emergency response programme to combat an outbreak of wild poliovirus disease in Ethiopia. UNOPS provided technical project management assistance to support the transportation and human resources administration of over 60 members of the polio surge capacity workforce.

23. Alongside many projects that provided partners with financial, personnel and procurement services, more than 2,300 people were engaged through the UNOPS human resources centre in Bangkok to support projects across 57 countries around the world, in Africa, America, Europe, Asia and the Pacific, for partners such as the Office of the United Nations High Commissioner for Refugees (UNHCR), the United Nations Office for Disaster Risk Reduction, UN-Habitat, and the International Organization for Migration.

24. UNOPS is part of the hosting consortium for the International Aid Transparency Initiative, which includes UNDP, the governments of Ghana and Sweden, and several development initiatives. Under this arrangement, UNOPS administered a pooled fund of financial contribution agreements on behalf of over 23 partners during 2014, including governments, United Nations organizations and civil society organizations.

25. In 2014, UNOPS provided human resources support to the Office of the Quartet Representative in Palestine, in an effort to enhance its security operations in the West Bank and Gaza.

26. In 2014, UNOPS administered human resource contracts for 17 field nutrition support officers on behalf of the United Nations Children's Fund in Kenya. The officers worked with the Ministry of Public Health and Sanitation to improve essential nutrition services at locations across the country that have been affected by deteriorating household food security.

27. UNOPS is working with the Ministry of Energy and Mines of the Government of Peru to monitor and report on the use of improved wood stoves across four communities. In 2014, UNOPS produced a range of technical reports to support the analysis of fuelwood consumption and of the effect that improved cooking devices have had on targeted populations.

28. In 2014, UNOPS projects supported the principles of mutual recognition between government and civil society, public participation, and accountability. For example, in a project funded by the Danish Government, more than 280 people in the Kurdistan region of Iraq were trained in human rights and best practices in partnerships between government and civil society. That training led directly to adoption by the Kurdistan regional government of the 'Compact on Partnership and Development' between public authorities and non-governmental organizations in the Kurdistan region, the first formal policy on cooperation ever adopted in the Middle East and North Africa region.

29. On behalf of the Government of Japan, UNOPS managed the rehabilitation of a water treatment plant in the town of El Fasher, in North Darfur, Sudan, which had not been operational for the past 10 years. Implemented in partnership with local water authorities, this project seeks to improve access to clean water for some 56,000 people, reducing water shortages and vulnerability to drought. UNOPS also helped develop local capacity to run and maintain the plant.

30. In 2014, UNOPS supported the work of UNMAS and partners in mine-action, humanitarian and stabilization explosive management, capacity enhancement of national actors and United Nations missions, and weapons and ammunition management, in 17 countries and territories. It provided human resources management, procurement, contracting, grants management, technical and operational support, and

financial and legal services. For a total value of approximately $230 million, UNOPS helped its main partner, UNMAS, deliver a range of results, including:

(a) In Afghanistan, 12,695 anti-personnel mines, 522 anti-tank mines, 24 abandoned improvised explosive devices, 180,018 items of unexploded ordnance and 113,121 items of small arms ammunition were destroyed. Over 700,000 citizens were provided with mine risk education across the country.

(b) In the State of Palestine, UNMAS implements programmes in Gaza and the West Bank. In Gaza, the clearance of schools allowed 250,000 students to return to their classes, and in the West Bank, an area of 71,619 square metres was cleared of landmines.

(c) In Somalia, the Somali Police Force explosive ordnance disposal team was provided with training, equipment and mentorship. The police force is now the first responder for disposal callouts in Mogadishu and Baidoa, following training in the disposal of improvised explosive devices.

(d) In Mali, a total of 786 villages and suspected hazardous areas were surveyed, resulting in the safe destruction of 347 explosive remnants of war and 57,762 items of small arms ammunition. A total of 24,263 people, almost 50 per cent of whom were women and girls, received mine risk education.

(e) In South Sudan, explosive detection dog teams conducted a total of 2,530 searches at sites for the protection of civilians, leading to increased security for internally displaced persons, humanitarian and peacekeeping personnel, and non-governmental organization partners.

(f) In the Central African Republic, over 100 tonnes of ammunition was safely stored and seven tons of degraded ammunition destroyed. Seven hundred and ninety of the 2,684 obsolete weapons safeguarded were destroyed by 12 members of the Gendarmerie and the national army who were trained in the use of a weapons-cutting shear.

(g) In the Democratic Republic of the Congo, a total of 26,805 explosive remnants of war and 74 landmines were collected and destroyed. Two national implementing partners supported a 'training of trainers' initiative in which 1,832 primary school teachers received mine risk education training.

(h) In Darfur, 20 people with disabilities caused by explosive remnants of war were provided with vocational training. A hundred and ninety people, including 25 women, were trained in the manufacture of equipment to help disabled people, resulting in the local production of 500 crutches and 100 wheelchair parts.

(i) In Libya, 20 tonnes of explosive remnants of war and unexploded ordnance were removed and destroyed from Tripoli and the surrounding area, and UNMAS also supported the Libyan Mine Action Centre with risk education.

(j) In Sudan, over 4 million square metres of land and over 1,500 kilometres of road were assessed as being free of unexploded ordnance and land mines.

(k) In Western Sahara, over 16,000 people, including refugees residing in camps in Southern Algeria, received mine risk education, and 300 personnel attached to the United Nations Mission for the Referendum in Western Sahara received landmine safety training and refresher training.

(l) In Côte d'Ivoire, nearly 20,000 kilogrammes of expired ammunition were destroyed and 4,719 weapons collected. Fifty-seven members of the national security forces, including two women, were trained in the disposal of explosive ordnance. More than 4,000 people – more than 25 per cent of whom were women – received mine risk education.

Box 1. Strengthening the Ebola response across West Africa

Since October 2014, UNOPS has been supporting international efforts to combat the Ebola virus disease outbreak in West Africa, providing procurement and logistical assistance to affected communities.

In Liberia, UNOPS partnered with WHO to support the Ministry of Health and Social Welfare with the emergency procurement of much-needed vehicles. UNOPS procured 19 ambulances to transport affected people, and provided rapid response support to the Bill & Melinda Gates Foundation. UNOPS will continue to support WHO in 2015, in close coordination with the UN Mission for Ebola Emergency Response, and will be expanding its assistance to help the Governments of Guinea, Liberia and Sierra Leone address the needs of communities and health workers affected by the crisis, as part of larger recovery efforts in the region.

C. Sustainable infrastructure

31. UNOPS provides a wide variety of infrastructure solutions. These are based on a combination of partner demand and the ability of UNOPS to deliver appropriate technical solutions throughout the design, construction, maintenance, operations, retrofitting, refurbishment and decommissioning phases.

32. In 2014, 29 per cent of UNOPS delivery was associated with infrastructure, half of which covered services related to transportation infrastructure and a third of which covered services related to buildings. In addition, UNOPS provided infrastructure services in water and waste management as well as in disaster risk reduction, recovery and resilience.

33. In transportation infrastructure, UNOPS worked on 175 bridges, 4,577 kilometres of road and 2 airstrips in 2014, compared to 81 bridges, 3,560 kilometres of road and 2 airstrips in 2013. Those totals include over 100 bridges in the Democratic Republic of the Congo worked on in cooperation with the Government, the Department for International Development (United Kingdom), the European Union, and the Netherlands, improving the livelihoods of local people by supporting agricultural productivity and enabling goods to reach markets.

34. In Latin America, UNOPS provides a broad range of technical assistance, including advice to governments on large-scale health infrastructure projects. For example, in 2014 UNOPS provided 4,400 days of technical assistance to the Social Security Fund in Panama, helping build and equip 12 new hospitals and clinics across the country.

35. UNOPS helps its partners develop skills in a variety of ways. For example, in 2014 UNOPS provided 1,786 days of national capacity development training in seven countries, in the areas of construction, transportation, information and communication technology, and water and sanitation. In Uruzgan province, one of the most impoverished areas in Afghanistan, UNOPS provided 261 days of capacity development training to local authorities as part of a rural access programme, funded by the Government of Australia, that connects remote, rural communities with all-weather roads for the first time, creating jobs and providing new opportunities for economic growth.

36. In Ethiopia, UNOPS supported the United Nations system by building office and accommodation facilities for a World Food Programme sub-office, incorporating sustainable construction techniques to reduce energy use and ensure durable results.

37. In cooperation with the World Bank, UNOPS is working as an implementation partner with the Afghanistan Customs Department to support customs clearance operations. In 2014, four customs facilities were designed and constructed and two were rehabilitated. More than 1,700 people were trained to support capacity development with the Department, including over 1,000 national staff. Three hundred and sixty days of technical assistance were also provided.

38. In 2014, UNOPS provided more than 11,000 days of technical assistance and trained more than 5,000 people in areas related to infrastructure across 10 countries. In El Salvador, for example, this included over 500 days of assistance to national authorities to modernize and improve ports and airports, and in Nicaragua, over 500 days of advisory services supporting the construction and equipment of the largest hospital in the country, with the aim of improving the national health network.

39. In Afghanistan, with funding from the Department for International Development, UNOPS provided 150 days of capacity development training to enable the Ministry of Public Works to develop effective, sustainable roads operations and maintenance investments in Kabul, Helmand and Balkh provinces.

40. In Port-au-Prince, Haiti, UNOPS installed 213 solar-powered street lights in neighbourhoods with high rates of conflict. The improved lighting increased security at night and decreased the likelihood of violence.

41. UNOPS is continuing its support to the Government of Haiti through the rehabilitation of 16 neighbourhoods and the closure of six priority camps in Port-au-Prince. Funded by the Haiti Reconstruction Fund of the United Nations Development Group, the project began as a response to the 2010 earthquake, seeking to revive 16 neighbourhoods where displaced families were living in six camps. The project is providing sustainable housing solutions and improved living conditions through better access to essential services. In 2014, with funding contributions from the Netherlands non-governmental organization Woord en Daad, UNOPS designed and constructed 250 houses and 45 apartment blocks. In addition, 350 waste containment systems were constructed, with funding from the American Red Cross.

Box 2. Supporting the Syrian refugee response in Jordan

Located in eastern Jordan, Azraq camp was opened in April 2014 to accommodate the increasing numbers of Syrian refugees entering Jordan. With a capacity of up to 130,000 refugees, the camp is divided into four separate villages, each able to house 10,000 to 12,000 residents.

To ensure better safety and security conditions for refugees and humanitarian workers, UNOPS supported the Government of Jordan, on behalf of Canadian Department of Foreign Affairs, Trade and Development, by constructing and equipping vital security facilities, including community police units. Many of these facilities were fitted with solar panels to ensure a clean, sustainable source of power. This is one of the largest off-grid solar panel systems installed in Jordan, and highlights the commitment of UNOPS to environmental sustainability.

D. Sustainable procurement

42. Efficient, effective procurement is integral to ensuring the sustainable and timely implementation of our partners' peacebuilding, humanitarian and development objectives. As a reflection of the interdependent areas of UNOPS expertise, many procurement activities in 2014 took place as part of project management and infrastructure projects, while stand-alone procurement represented 16 per cent of UNOPS total delivery.

43. In 2014, UNOPS procured $669 million worth of goods (34 per cent) and services (66 per cent). The top five countries of supply, in descending order, were Afghanistan, Somalia, South Sudan, Denmark and Sudan, demonstrating a strong commitment to procuring from developing countries and countries with economies in transition.

44. In 2014, UNOPS helped develop sustainable procurement capacity and assisted partners with the procurement of medicines for HIV/AIDS and malaria; medical supplies (including bed nets and condoms); and emergency relief items, including solar kits, bars of soap and water purification tablets. In cooperation with the Government of Honduras, UNOPS procured over 44 million doses of medicine.

45. In support of international efforts to combat the Ebola virus disease outbreak in West Africa, UNOPS delivered 10 ambulances and 10 pick-up trucks to Liberia on behalf of the World Bank and the Government. The vehicles were used to transport Ebola patients to treatment units and to facilitate the safe and dignified burial of suspected or confirmed Ebola victims.

46. UNOPS purchases goods and services on behalf of its partners. The services can include planning, specification refinement, and coordinating the activities of buyers and purchasing officers. In 2014, such services accounted for 97 per cent of UNOPS stand-alone procurement, of which 42 per cent was related to procurement of vehicles and 36 per cent to procurement of health-care items.

47. In partnership with the United States Agency for International Development, UNOPS is building the operational capacities of three implementation partners in Bangladesh. With the local engineering department of the Government and two non-governmental organizations – Dhaka Ahsania Mission and Wildteam – UNOPS is working to improve compliance with United States Government project requirements, particularly in the areas of financial management, procurement, human resource management, project management and grants administration. In 2014, UNOPS provided a total of 57 days of technical assistance to validate capacity needs and develop a tailored development work plan for the three partners.

48. In the Maldives, UNOPS helped to establish a centralized procurement system in the Ministry of Health to support public health-care needs. In addition, UNOPS supported the Government with the procurement of more than 630,000 doses of medicine, 157,000 medical supplies and 650 pieces of medical equipment.

49. In Peru, UNOPS partnered with the Government social security entity, EsSalud, to administer public funds aimed at improving health infrastructure in the country. The role of UNOPS included procuring over 2,000 pieces of medical equipment, including X-ray, mammography and angiography equipment, for a hospital in northern Peru. Aiming to reduce the rates of infectious diseases and maternal and child mortality, the project also included the design and construction of a hospital in Apurimac, in southern Peru, and the design of a hospital north of Lima.

50. In Cambodia, UNOPS has been the principal recipient of the Global Fund to Fight AIDS, Tuberculosis and Malaria since mid-2013. During 2014, UNOPS procured over 3.6 million bed nets, 128,000 doses of anti-malarial drugs and more than 200 microscopes to aid in the prevention, diagnosis and treatment of malaria cases.

51. In 2014, in coordination with the Central Emergency Response Fund of the United Nations Office for the Coordination of Humanitarian Affairs, UNOPS procured and distributed 700,000 emergency relief items to over 13,600 families in response to a cholera outbreak in urban and rural areas of Port-au-Prince in Haiti. The items included 450,000 units of soap and 250,000 water-purification tablets. As part of this project, UNOPS also conducted sensitization and health promotion activities in 71 schools, 7 cholera treatment centres, 6 local associations and 4 governmental institutions, reaching over 160,000 people.

52. In Ethiopia, with funding from the International Fund for Agricultural Development, UNOPS provided procurement support to the Government for the acquisition of 644 motorcycles and 11 pick-up and all-terrain vehicles to support poverty reduction in rural households and provide access to financial services. In Guatemala, UNOPS is providing technical support to the Social Security Institute, improving the quality of medical hospital facilities and services. As part of this effort, which includes the construction of one of the largest hospitals in Central America, UNOPS procured 88 pieces of medical equipment, such as surgical equipment and newborn monitoring systems, for hospitals and health centres.

53. In the Central African Republic, UNOPS supported the United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic with planning and initial construction work for three camps destined to serve as accommodation for 300 of its personnel. Located outside the capital, Bangui, each camp will have a capacity of 100 people, with a possibility of extension to 200 in a second phase.

Box 3. Solar kits help improve living conditions for displaced families in Iraq

In 2014, as part of emergency relief efforts to assist internally displaced persons, UNOPS, in coordination with participating United Nations organizations, distributed 24,142 solar lamps and mobile-phone charging kits to families in the Kurdistan region of Iraq. Funded by the Humanitarian Fund for Iraq of Saudi Arabia in cooperation with the United Nations Office for the Coordination of Humanitarian Affairs, the charging kits provide over 117,000 individuals sheltering across northern Iraq with reliable access to electricity. Using renewable energy, the solar kits provide a light source as well as charging capabilities for small electronic devices. The kit includes two detachable lanterns, which provide increased security for women and children and allow them safer night-time access to water and toilet facilities and communal areas. The mobile phone charger allows them to keep in closer contact with family members and friends. More than 850,000 people have sought refuge in the Kurdistan region of Iraq since the beginning of 2014.

E. Contributions to sustainability

54. UNOPS is committed to focusing on managing and reporting on sustainability. In line with Executive Board decisions 2012/16 and 2012/24, the UNOPS approach to national capacity and sustainability is embedded across the organization. Following the strategic plan, 2014-2017, UNOPS will further mainstream the national capacity development agenda and sustainable approaches in its mandated areas, including through the use of local resources.

55. UNOPS has refined its ability to measure contributions made to sustainability through project implementation. As part of this refinement, 2014 sustainability results have been weighted by delivery. Details of the UNOPS methodology are outlined in annex IV.

56. In 2014, UNOPS project managers assessed aspects of national capacity and sustainability (in terms of equitable economic growth, social justice and inclusion, and environmental impact) on more than 1,200 projects.

57. In 2015, UNOPS will further explore best practices and standards in sustainability reporting through examining aspects of the Global Reporting Initiative framework.

National capacity

58. UNOPS respects and supports national ownership. The organization helps develop national capacity by providing advice and training; sharing experience, best practices and expertise; and supporting the enhancing of management oversight to improve transparency and accountability.

59. Around 60 per cent of all projects supported by UNOPS in 2014 reported one or more activities that contributed to developing national capacity in the course of project activities. Project management and support services reported 58 per cent; infrastructure services, 81 per cent; and stand-alone procurement services, 32 per cent.

60. A total of 41 per cent of all projects reported providing on-the-job training during implementation. In Myanmar, for example, under UNOPS work as principal recipient of the Global Fund to Fight AIDS, Tuberculosis and Malaria, over 2,000 workers for local government and non-governmental organizations were trained in financial management, monitoring and evaluation, and procurement supply chain management.

61. In 2014, the inclusion of formal certification programmes was reported by 33 per cent of UNOPS projects. Twenty-three per cent of projects reported that certifications

had been achieved in 2014. In Serbia, for example, representatives from five local governments were certified in the quality management systems standards of the International Organization for Standardization, ISO-9001 and ISO-14001, in order to provide better services to their citizens, under the European Union and Swiss Government-funded European Partnership with Municipalities Programme.

Box 4. Responding to critical shortages of medical supplies in Honduras

In 2014, UNOPS provided technical assistance to the Honduran Institute of Social Security and the Ministry of Health, procuring essential medicine and vital medical supplies in response to a critical shortage. These included insecticides against dengue fever, a mosquito-borne viral infection that remains a serious problem in Honduras. In 2013, the country declared a state of emergency after an outbreak of the disease affected over 12,000 people.

Through sustainable procurement processes, UNOPS procured 44 million doses of medicine and 2.1 million medical and surgical supplies for the Institute, supplying 27 public hospitals and more than 1,600 health centres across the country. By relying on UNOPS for rapid, transparent procurement services, the Ministry of Health saved from 30 per cent to 300 per cent off the prices of the supplies purchased. In the second phase of this project, UNOPS will work with the Institute to strengthen its institutional capacities.

Equitable economic growth

62. UNOPS provides assistance to governments to encourage social and economic empowerment. UNOPS contributes to economic sustainability by pursuing effective management and investment strategies and practices; supporting livelihoods through the creation of local employment and income opportunities; enhancing access to markets using local suppliers; and considering, where possible, the total cost of ownership (including financing, operating, maintaining and replacing assets).

63. In 2014, 48 per cent of all projects included one or more activities that contributed to economic sustainability over the course of the project. For project management and support services, the figure was 35 per cent; for infrastructure, 85 per cent; and for stand-alone procurement, 29 per cent. The most commonly reported activity was creating work for local people, reported by 37 per cent of all projects.

64. In 2014, 69 per cent of transportation infrastructure-related projects reported on enabling improved access to market. In Afghanistan, for example, the Rural Access Improvement Project is building roads and bridges to improve access to markets for men and women in remote areas in the north of the country. The project is funded by the Swedish International Development Cooperation Agency, and implemented in cooperation with the Ministry of Public Works, the Ministry of Rural Rehabilitation and Development and provincial authorities to supplement to the National Rural Access Programme.

Social justice and inclusion

65. UNOPS contributes to social sustainability by: exercising due diligence and respect for international human rights principles; engaging local communities and ensuring equitable access to project benefits, with particular emphasis on protecting the most vulnerable; facilitating access to food, water, sanitation energy, health, education, justice and security-related services; providing advice and implementation support in the area of disaster risk reduction for resilience; and mainstreaming gender equality in all activities.

66. In 2014, 54 per cent of all projects reported on one or more activities that contributed to social sustainability. For project management and support services, the figure was 49 per cent; for infrastructure, 81 per cent; and for stand-alone procurement, 26 per cent.

67. Thirty-six per cent of all projects reported on engaging local communities. In Somalia, UNOPS is providing operational support to UNHCR for a temporary shelter compound near the border with Kenya. The site location was chosen following a consultation process with local elders. The compound will help displaced Somalis with their voluntary return and reintegration, and will allow authorities to provide returning refugees with food, shelter, sanitation and medical assistance.

68. Around 48 per cent of all projects reported supporting social sustainability, including by linking communities to previously inaccessible social services. In Nepal, on behalf of the Department for International Development, UNOPS built 10 citizens' help desks in four districts to allow citizens to discuss personal and communal security issues with local police. The objective is to strengthen governance in the country by increasing access to police services and justice for local communities.

Box 5. Supporting democracy in Afghanistan

In 2014, UNOPS supported the first democratic transfer of power in the history of Afghanistan, setting up and providing full operational support to the new electoral complaints commission ahead of the presidential and provincial council elections.

On behalf of UNDP, and in close consultation with the International Foundation for Electoral Systems, UNOPS recruited 472 personnel and procured office space and equipment to ensure that the commission was functional in time for the elections.

Additionally, UNOPS and the Foundation supported a series of open sessions in which complaints were presented in front of observers, civil society organizations and media representatives, to make the grievance handling process more transparent – the first time this had ever happened in Afghanistan.

With the elections over and the commission fully operational, UNOPS is developing the capacity of staff in areas such as human resources management, recruitment, procurement, logistics and finance.

Environmental impact

69. UNOPS contributes to environmental sustainability by mitigating adverse impacts on the environment; improving biodiversity and ecological resilience; and using renewable resources, taking into account the interactions between human development and environmental sustainability.

70. In 2014, 51 per cent of all projects reported on one or more activities that contributed to environmental sustainability in the course of the project. For project management and support services, the figure was 39 per cent; for infrastructure, 80 per cent; and for stand-alone procurement, 43 per cent.

71. Twenty-eight per cent of all projects contributed to optimizing waste disposal methods. In Haiti, for example, with funding from the Inter-American Development Bank and the World Bank, UNOPS worked with the Ministry of Public Works, Transport and Communication to rehabilitate roads following Hurricane Sandy. During those projects, debris produced from the work sites was disposed of in a low-impact manner, in cooperation with local authorities.

72. Fifty-four per cent of infrastructure projects reported on mitigating environmental impacts based on project location. In the Kilinochchi district of Sri Lanka, for example, UNOPS built and equipped 13 schools, promoting environmental sustainability by using natural light and ventilation to reduce energy consumption. Funded by the Korea International Cooperation Agency, the project has helped to improve the educational environment of schools in the area for the benefit of more than 6,600 local students.

73. UNOPS is able to provide support when the cross-border nature of environmental issues necessitates coordinated international action. For example, UNOPS executes an international waters portfolio of around 15 projects that focus on transboundary water

systems. Funded by the GEF at the request of UNDP and other GEF-implementing organizations, such as the United Nations Environment Programme (UNEP), these projects help countries work together to fight ecological stress such as that caused by overfishing and industrial pollution. In 2014, the Arafura and Timor Seas Ecosystem Action Programme evaluated an integrated, joint, ecosystem-based management framework for coastal and marine resources in the region. In addition, in support of global climate change mitigation and adaptation initiatives, UNOPS managed human resources and procurement services on behalf of the UNEP Climate Technology Centre and Network, which promotes environmentally sound technologies for mitigation and adaptation in developing countries in line with their sustainable development priorities.

Box 6. Rebuilding after the floods in Serbia

In May 2014 Serbia experienced severe flooding, constituting the most severe natural disaster in the region in 120 years. Thirty-four people were killed and a further 32,000 were forced to leave their homes. UNOPS in Serbia is implementing flood rehabilitation and prevention projects, with funding from the European Union and the governments of Canada, France and Norway, as part of joint-response efforts with the Government of Serbia.

To help restore living conditions and access to essential services for citizens in municipalities hardest hit by the floods, UNOPS rehabilitated 12 schools, 6 kilometres of paved roads, 2 health facilities, 1 community theatre and 275 private homes in 2014, and designed and constructed 13 new private homes for families. In an effort to mitigate the spread of water-borne infections and disease, UNOPS procured 60,260 kilograms of mosquito-control products, which were delivered to 63 municipalities in the country.

IV. Management results

A. Recognized value by partners

74. In 2014, overall UNOPS delivery was $1.2 billion, compared to $1.16 billion in 2013. The change was attributable mainly to increased demand for UNOPS support to partners' development work in Afghanistan and Myanmar; mine action services in Mali, Somalia and South Sudan; and humanitarian response activities in the Middle East.

75. In 2014, 57 per cent of UNOPS delivery was on behalf of the United Nations system, down from 60 per cent in 2013, but closer to figures from previous years. The largest United Nations partner was the Department of Peacekeeping Operations, accounting for $237 million, or 19.5 per cent of implementation expenditure, compared to 18.1 per cent in 2013. This delivery comprised providing support to the global peace and security work of UNMAS. UNDP was the second-largest United Nations partner, accounting for $232 million, or 19 per cent of total delivery, a 6 percentage point decline compared to 2013. Other 2014 trends among United Nations partners included a second consecutive year of increasing delivery on behalf of UNHCR, from $40 million in 2013 to $58 million in 2014. Support services to WHO and UN-Habitat increased during 2014.

76. The largest partnership with a government during 2014 was with the Government of Afghanistan, followed by those of Peru and Guatemala, respectively, as was the case in 2013. In Afghanistan, the majority of services were in direct support to the Government, while in Guatemala and Peru the partnerships with the governments continued through UNDP management services agreements. Total direct support to governments, including through such agreements, was 28 per cent of delivery, a marginal decrease compared with 29 per cent in 2013.

77. UNOPS partnered with international financial institutions, including though a variety of partnership structures with the World Bank, on $113 million worth of

projects, compared with $77 million in 2013. Direct implementation for the World Bank increased to $19.2 million from $15.1 million.

78. UNOPS work with the European Union was similar to 2013, at $43 million worth of delivery. In Serbia, the UNOPS partnership with the European Union included support to a range of post-flood infrastructure rehabilitation projects. New engagements signed during 2014 totalled $84 million, compared to $44 million a year earlier.

79. UNOPS continued to strengthen its partnership with the Global Fund to Fight AIDS, Tuberculosis and Malaria, and in 2014 became the principal recipient for the Regional Artemisinin- Resistance Initiative in Cambodia, Laos, Myanmar, Thailand and Viet Nam. Globally, UNOPS delivered more than $68 million in services, including infrastructure support, compared with $46 million in 2013, and worked as a local fund agent for the Fund in 15 countries.

80. The largest donor government to UNOPS projects where delivery can be directly attributed was the Government of Japan, as in 2013, with significant funding for infrastructure activities in Afghanistan and South Sudan. Second was the Government of Canada, followed by the governments of the United States, Sweden and the United Kingdom.

81. UNOPS manages a limited number of pooled multi-donor funds and programmes, the largest of which are in Myanmar, such as the Three Millennium Development Goals Fund, or operate globally, such as the Global Sanitation Fund of the Water Supply and Sanitation Collaborative Council and the Stop TB Partnership. The governments of Australia, Canada, the Netherlands, Sweden, Switzerland and the United Kingdom were significant contributors in 2014.

82. In 2014, the largest countries of delivery were Afghanistan, Myanmar, Somalia, South Sudan, and Mali, in that order. In 2013, they were Afghanistan, South Sudan, Myanmar, Somalia and Haiti.

83. In 2014, 55 per cent of delivery was attributable to project management and support services, and 29 per cent to infrastructure. While most procurement activities took place as part of project management and infrastructure projects, stand-alone procurement represented 16 per cent of total UNOPS delivery.

84. In 2014, UNOPS solicited partner feedback on its performance with reference to the strategic plan, 2014-2017. Through personal interviews and online surveys UNOPS asked more than 300 high-level respondents, both current and potential partners, about their operational needs and their perceptions of UNOPS.

85. The results indicate that overall satisfaction among partners remains high, at almost 77 per cent. Nearly 82 per cent of current partners are "very likely" or "likely" to recommend UNOPS services to others. These results are similar to those of the 2013 and 2012 surveys. The percentage of partners indicating they would be "very likely" to recommend UNOPS increased by 8 per cent compared to the 2013 and 2012 results.

86. Partners ranked the following as the most important aspects when selecting implementing partners: efficiency and quality of products and services; respect for national ownership and approach to capacity development; and accountability for results and transparency. These partner priorities reflect UNOPS core values of: national capacity and ownership; accountability for results and transparency; partnerships and co-ordination, and excellence.

B. Process excellence

87. In 2014, UNOPS maintained its ISO 9001 quality management systems certification and expanded the coverage of its ISO 14001 certified environmental management system to cover infrastructure projects in Afghanistan, Kosovo and the State of Palestine.

88. In addition, UNOPS established and implemented a health and safety management system for infrastructure operations, which is now certified by United Kingdom-based Occupational Health and Safety Advisory Services 18001, the internationally applied standard for occupational health and safety management systems. The aim is to reduce the health and safety risks that UNOPS personnel and contractors face when working on potentially hazardous infrastructure projects.

89. UNOPS continued the inclusion of the European Foundation for Quality Management excellence model as part of its focus on organizational excellence. The budget and business planning processes were further aligned with the UNOPS excellence model, and training on this approach was conducted for personnel.

90. Several measures were taken to realign regional and headquarters functions to implement the strategic plan, 2014-2017. Among other improvements, the People and Change Practice Group was established with responsibilities for change management, process excellence and strategic human resources. The Partnerships Practice Group was set up to strengthen key partner management, and the Finance Practice Group completed its strengthening of strategic budgeting and reporting functions. In 2014, the Global Shared Service Centre was established to provide internal, global, cost-effective transactional services in personnel contract administration, benefits and entitlements, and payroll.

91. In 2014, UNOPS began work on a new enterprise resource planning system, designed to better integrate operational processes and systems. The new system should increase the quality of information for management decision-making and enable UNOPS to provide more efficient operational support to partners. The system is a key element of the continued efforts to optimize UNOPS risk management systems and reinforce internal controls, segregation of duties, and compliance.

Box 7. Integrating a risk-based approach across UNOPS

UNOPS is committed to supporting national sustainability and resilience objectives. In 2014, in line with Secretary-General Ban Ki-moon's call to scale-up United Nations efforts in building resilience, UNOPS established a 'disaster risk reduction for resilience' programme to align its projects with commitments to global frameworks.

UNOPS strives to increase the resilience of nations and communities by integrating a risk-based culture across the organization. This approach includes conducting infrastructure assessments, improving urban planning, developing local capacity, and designing and constructing more resilient infrastructure such as schools, hospitals and roads. By identifying or eliminating risk, UNOPS can ensure that its projects contribute to the development of more sustainable infrastructure. Where risks cannot be eliminated, management and mitigation must be improved.

UNOPS has also contributed to shaping the post-2015 framework on disaster risk reduction and will continue to support the implementation of the framework.

92. In 2014, UNOPS undertook various initiatives to examine risk management processes. In 2015, UNOPS will work towards further integrating the management of strategic risks and compliance across the organization.

93. The rate of implementation of audit recommendations was improved during 2014. Of the audit recommendations issued in or prior to 2011, 100 per cent were implemented, as were 99 per cent of those issued in 2012. The overall implementation rate of audit recommendations issued from 2008 to 2014 was 97 per cent, an increase

from the 93 per cent reported in 2013, indicating high levels of commitment from senior management to implement audit recommendations.

94. Reflecting its role as a consultative, impartial and service-oriented resource, the UNOPS Ethics Office handled a total of 484 matters from 1 January 2014 to 31 December 2014. They are detailed in a dedicated report (DP/OPS/2014/4) for presentation to the Executive Board at its annual session 2015.

C. People excellence

95. The total UNOPS workforce at the end of 2014 was 6,925. Of these, 960 were staff, and 5,965 had individual contractor agreements (729 international and 5,236 local). UNOPS administers personnel contracts on behalf of a range of partners. In 2014, 2,074 of the total number of individual contractors were partner-supervised personnel.

96. UNOPS recruited 130 staff in 2014. Of those, 89 were international professional staff and 41 were general service staff. The number of staff who left the organization was 166. Staff turnover declined to 17.2 per cent as compared to 18.5 per cent a year earlier. Women made up 32.7 per cent of UNOPS international personnel, a 2.5 per cent increase compared with the number on 31 December 2013. Targets for increasing the percentage of women were met for 2014, and UNOPS continues to widen the inclusion of female candidates for all positions. UNOPS identifies female talent and takes into consideration gender diversity as an element of its talent management approach.

97. UNOPS carried out its first gender-participative assessment, a survey-based consultation that offered personnel the opportunity to assess the inclusion of gender considerations across the organization, its activities and projects. The assessment sought to establish a baseline; identify critical gaps and challenges; recommend ways of addressing them and suggest new and more effective strategies; and document good practices towards the achievement of gender equality. By November 2014, 1,278 members of personnel had taken part in the survey.

98. In 2014, UNOPS strengthened personnel performance management, with the 'rewards, recognition and sanctions' initiative completing its fourth year. During an annual awards ceremony in December, six individuals and five project teams were recognized for their exceptional contributions in areas including sustainability, innovation and United Nations core values. The initiative also provides tools to address under-performance.

99. More than 1,406 personnel participated in UNOPS learning activities or programmes. Over 500 personnel received external project management qualifications, 76 received training in UNOPS works contracts in the infrastructure discipline, and nearly 200 received external and internal training in procurement operations. Over 60 senior and mid-level personnel took part in management and leadership courses, including a mentorship programme that has identified 53 personnel with the potential to become future leaders within UNOPS.

100. In 2014, improvements for individual contractors were introduced with particular emphasis on local personnel, who represent a majority of the workforce. The improvements directly responded to feedback received from partners and personnel in order to continuously improve working conditions to support the most effective delivery of results. During 2014, a provident fund savings scheme was introduced whereby local personnel can save 7.5 per cent of their salaries while UNOPS contributes 15 per cent. By the end of the year, 2,300 local contractors had been added to the plan. In addition, pay rates for local personnel were globally aligned using the International Civil Service Commission scales as a benchmark.

D. Financial stewardship

101. During 2014, UNOPS delivered $1.2 billion in project services against $1.16 billion in 2013, an increase of 4 per cent. Project-related net revenue was $74.8 million compared to $72.2 million in 2013. Miscellaneous income earned was $4 million against $4.7 million, and non-exchange revenue was $3.8 million compared to $6 million. Management expenses were $58.4 million compared to $56.5 million a year earlier, an increase of 3.3 per cent. This resulted in a net surplus of income over expenditure, after provisions, of $11.6 million, compared to $14.7 million in 2013. At year-end 2014, UNOPS continued to exceed its obligatory reserve target as determined by the formula approved by the Executive Board.

102. An actuarial revaluation of UNOPS end-of-service employee liabilities indicated that such liabilities at year end 2014 were about $19.1 million more than liabilities at the end of 2013. UNOPS was able to fund $5.1 million of the increase in its end-of-service liabilities through its current-year expenses. The balance of $14 million was funded by the accumulated reserve on actuarial gains from prior periods.

103. The above expenses, revenue and reserve balance for 2014 are early figures calculated by UNOPS and may be subject to change. The figures have yet to be verified and audited by the United Nations Board of Auditors.